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RISK MANAGEMENT FRAMEWORK

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1.0 Background

Risk is inherent in all aspects of an organisation's activities. AS/NZS ISO31000:2009 - Risk Management Principles and Guidelines ('the Standard') defines risk as "the effect of uncertainty on objectives".

Risk management refers to the coordinated activities to direct and control an organisation with regard to risk. Break O'Day Council's Risk Management Framework is the set of components that articulate the organisational arrangements for designing, implementing, monitoring, reviewing and continually improving risk management throughout the organisation.

Risk management involves establishing a customised Risk Management Framework, a risk aware culture, and applying logical and systematic risk management processes to all stages of the life cycle of any decision, activity, function or operation that includes the potential for risk.

2.0 Introduction

Risk Management is critical to Break O'Day Council's ability to achieve the key result areas contained in its Strategic Plan.

By fostering a vibrant risk management culture that encourages Workers at all levels to systematically apply all the principals and procedures outlined in the Framework. Break O'Day Council seeks to minimise resource waste and ensure that all Council decisions, events, activities and projects are undertaken with consideration of risk to the organisation, its people and its community.

Achievement of the Strategic Plan and key results areas depends upon factors including:

- The health and wellbeing of its people;
- Due care towards our customers and the community;
- The protection of our assets; and
- Incorporating legislative requirements into our work processes.

3.0 Statement of Commitment

Break O'Day Council will ensure that its workers and the community are reasonably protected against loss through the application of sound management principles and practices to eliminate or minimise exposure to risks and adverse impact on corporate objectives. Risk management:

- Creates and protects value;
- Is an integral part of all organisational processes;
- Is part of decision making;
- Explicitly addresses uncertainty;
- Is systematic, structured and timely;
- Is based on the best available information;
- Is tailored;
- Takes human and cultural considerations into account;
- Is transparent and inclusive;
- Is dynamic, iterative and responsive to change; and
- Facilitates continual improvement.

Break O'Day Council is committed to managing its risks by identifying, analysing, evaluating, treating, monitoring and communicating all risks that impact on Council's ability to achieve the vision and strategic objectives outlined in Council's Planning Framework.

The Risk Management Framework demonstrates Break O'Day Council's commitment to risk management, to be embraced by all Workers, Councillors and Committees engaged in Council business and defining the responsibilities of those involved in the process of managing risk.

Break O'Day Council is committed to implementing a consistent and structured organisation wide approach to risk management in order to achieve an appropriate balance between realising opportunities for gains and minimising losses. Council is committed to managing risk at strategic and operational levels to ensure that it makes informed decisions with respect to all activities by appropriately considering both risks and opportunities as outlined in the Risk Management Policy.

Break O'Day Council acknowledges that the adoption of a strategic and formal approach to risk management will provide numerous benefits. These benefits include but are not limited to:

- Better corporate governance;
- Compliance with relevant legislation;
- Protecting people's safety;
- Improve incident management and reduction in loss and the cost of risk, including insurance premiums;
- Proactive rather than reactive management;
- Rigorous decision making and planning; the right decisions for its people and our community;
- Improved identification of opportunities and threats;
- More effective allocation and use of resources;
- Improving stakeholders confidence and trust;
- Maintaining a positive public image;
- More effective asset management;
- Limiting exposure to litigation;
- A clear understanding by all stakeholders of their roles, responsibilities and accountabilities for managing risk; and
- The development of a more risk aware organisational culture through enhanced communication and reporting of risk.

Risk management is essential for the successful implementation of Council's Strategic Plan and supports the achievement of Council's vision for the future and development of the community through other strategic goals, objectives and actions.

The Framework builds on the objectives of Break O'Day Council's Risk Management Policy and outlines the methodology adopted to identify, assess, manage and report on all risks in the organisation to ensure all parties understand how risk is managed. The Framework integrates the process for managing risk into the organisation's various activities.

4.0 Objectives

The aim of the Risk Management Framework is not to eliminate risk, rather to manage risk on an ongoing basis in a consistent way across the organisation, whilst maximising opportunities and minimising adversity. It provides a system for the setting of priorities when there are competing demands on limited financial and employee resources. Furthermore, the Framework supports the transparency of risk information to all stakeholders and interested parties.

Risks emerge as circumstances change – risk is dynamic and as such the process of risk management is continual. Risk management will form part of how we do our work and deliver services to our community on a day to day basis. Responsible risk management activity must be a part of the normal management practice and actions of Workers.

The Council will utilise the framework provided by the Risk Management Standard ISO 31000 and its successors, to develop and implement its approach to:

- Risk identification
- Risk analysis
- Risk evaluation
- Risk treatment
- Monitoring and review
- Communication and consultation

Risk management will be incorporated into the strategic, annual and operational planning processes at all levels within Break O'Day Council.

Key objectives of the Framework include providing Council with the tools required to practice effective risk management. The Framework is designed to ensure that:

- Sound risk management practices and procedures are fully integrated into Council's strategic and operational planning processes;
- Threats and opportunities associated with all documented key result areas are identified, evaluated, treated, monitored and communicated in accordance with the process outlined in AS/NZS ISO 31000:2009 Risk Management;
- The risk management approach is effectively supported by consultation and communication at all levels;
- Remedial actions identified as a result of incident investigations are documented, implemented and communicated effectively to prevent recurrence;
- Appropriate risk treatment strategies will be included in organisational procedures and processes needed to assist Council in achieving its' business outcomes. These strategies will be in accordance with relevant standards, codes of practice and appropriate legislative guidelines;
- All Council Workers with specific risk management responsibilities are aware of and effectively exercise those responsibilities. Responsibilities are documented in Position Descriptions;
- All Council stakeholders i.e. Workers, Mayor and Councillors, Committees, Lease Holders and the public cooperate to create a safe environment and preserve assets for the future;
- Adequate information, training and supervision are provided to all Workers, Councillors, Lease Holders and Committees; and
- The Risk Management Framework and associated processes and tools are documented, recorded and reviewed on a regular basis to ensure ongoing suitability to the organisation's needs.

5.0 Scope

A risk event can result from an occurrence or change of a particular set of circumstances. The effect is a deviation from the expected and can be positive and/or negative. Risk sources within the context of Break O'Day Council's operations include:

1. Assets/Property Infrastructure
2. Business Continuity
3. Commercial and Legal Relationships
4. Customer Service
5. Workers/Industrial Relations
6. Environmental Conditions
7. Financial Management
8. Information Technology and Use of Social Media
9. Natural Events and Hazards
10. Project Management
11. Public Liability/Professional Indemnity
12. Reputation/Consultation/Communication
13. Strategy and Governance
14. Social Inclusion
15. Sustainability
16. Technical Issues
17. Technological Issues
18. Workplace Health and Safety
19. Climate Change

Figure 1- Principles, Framework & Process

Figure 1- Source: AS/NZS ISO31000:2018 Risk Management Guidelines

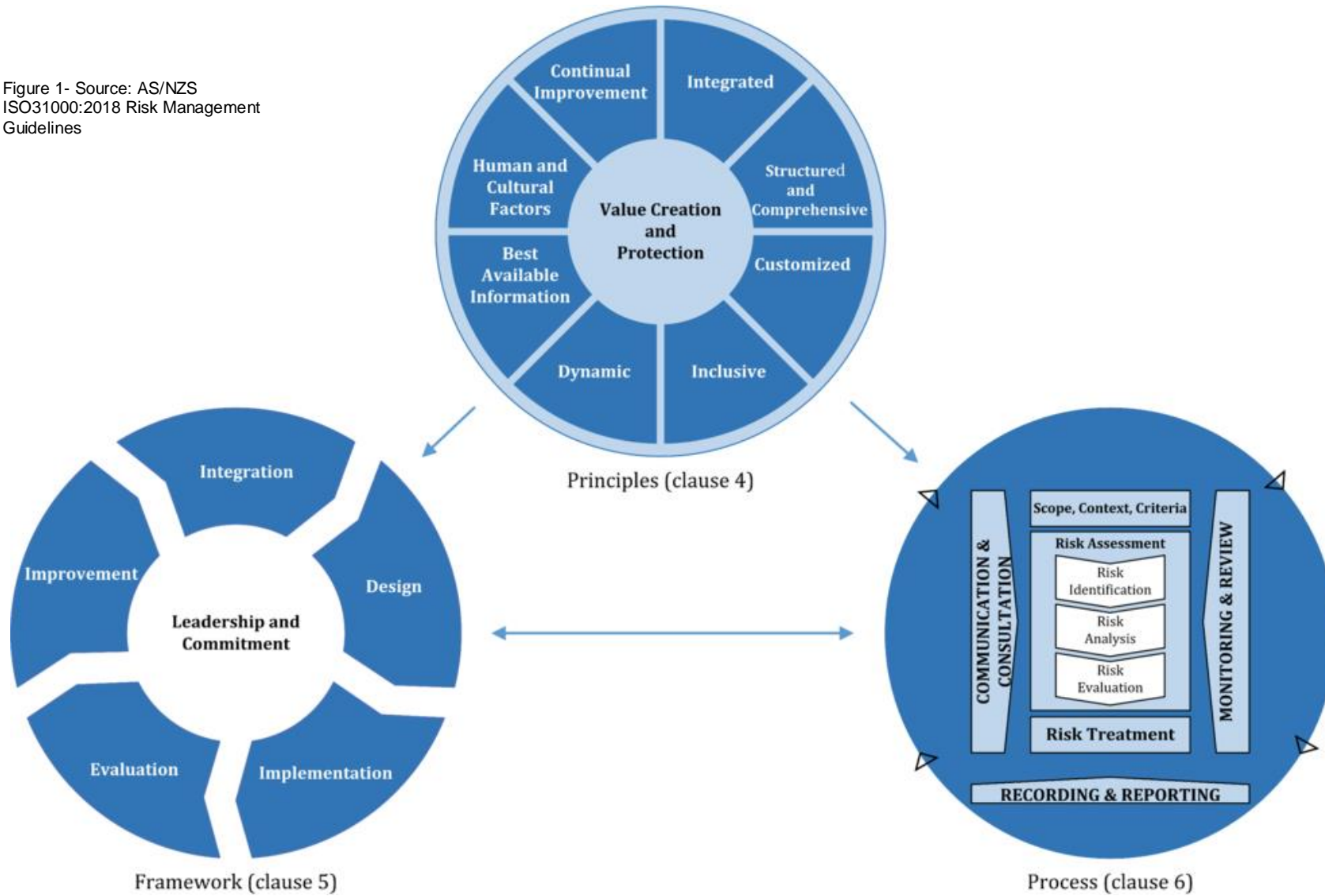
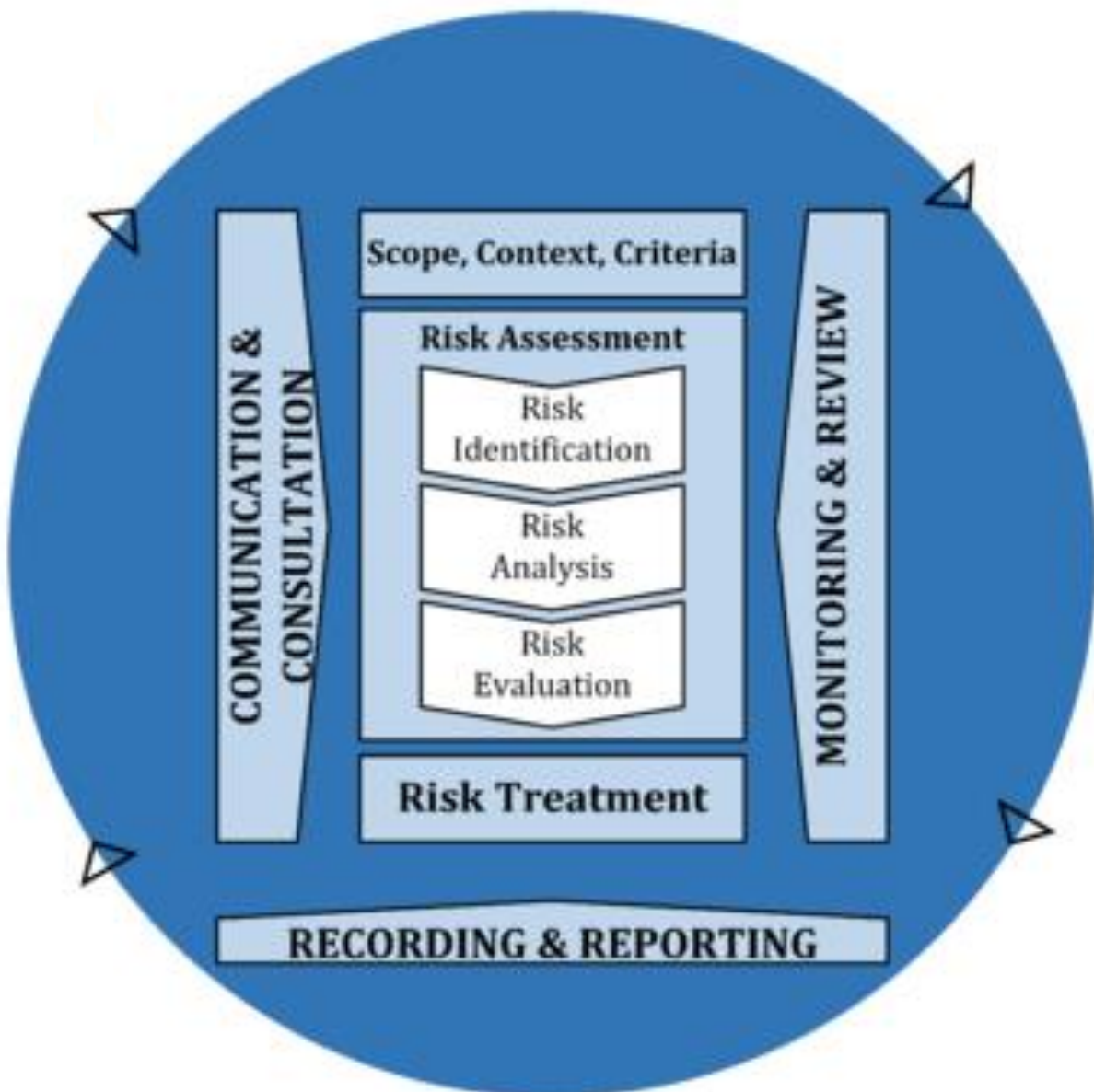


Figure 2- BODC Risk Management Process

The Risk Management Process is the systematic application of management policies, procedures and practices to the tasks of establishing context, identifying, analysing, evaluating, treating, monitoring and communicating in relation to risk.

Council will apply the following Process as defined by AS ISO 31000:2018 Risk Management Guidelines.



Process (clause 6)

6.0 Business Systems

The Risk Management Framework is one component of business systems within Break O'Day Council. The Framework aims to build resilience in the planning of service delivery for the Break O'Day municipality by highlighting the strengths of current operating practices whilst identifying the areas for improvement. The Framework supports the existing programs and initiatives undertaken by Council to manage its risk to ensure delivery of the Strategic and Annual Plan goals and objectives.

This Framework is applicable to Council in all its operations and functions - including activities carried out under its direction, to the public infrastructure it controls and to those situations where Workers are required to work on Council projects.

6.1 Strategic Direction and Governance

Risk is considered and assessed during strategic planning and by Council when making decisions that impact on stakeholders.

6.2 Decision Making

Risk is considered and assessed prior to decisions being made at all levels

6.3 Business Continuity Planning

Risk management will support Council's Business Continuity Plan by identifying issues and events that may pose a threat to the continuation of business and impact our community.

6.4 Contract Administration Process

The contract administration process of Council is supported by the Risk Management Framework as effective risk management aids in the identification of issues and events that may impact the contract preparation and implementation phase.

6.5 Financial and Asset Management

The Risk Management Framework operates to enhance the 10 year Financial and Asset management plans of Council by ensuring that effective processes are in place to manage the risks to Council's assets.

6.6 Event Planning

Effective risk management processes are crucial to efficient planning and delivery of events that ensure public safety and event success.

6.7 Project Management

Risk management is an integral part of project management. It is imperative that risks are identified at the project development stage so that designs and processes can be adjusted continually to minimise or eliminate exposure to risk.

6.8 Education and Training

Council will facilitate risk management training for staff in a manner that corresponds with roles and responsibilities. Risk management training will be conducted as time and budget permits, however guidance will be provided on an ongoing basis by Council's Business Services Manager.

Council's training and guidance will include providing staff with the following:

- A general understanding of the principles and benefits of risk management;
- Practical guidance in undertaking and documenting the risk assessment process, using Council's adopted risk assessment and evaluation criteria, tools, templates and systems; and
- An understanding of Council's risk appetite and actions required to effectively consider risk management option

6.9 Risk Appetite

Council will have a responsible approach to risk management, seeking to recognise and manage its exposure to risks in accordance with its vision, mission and values. In pursuing the achievement of its objectives and governance responsibilities, Council will accept a degree of risk commensurate with the potential reward and with consideration of Council's role and responsibilities within the community. Council's risk appetite in relation to its adopted key risk categories is therefore as follow:

		Appetite or willingness to accept the risk		
		MINIMAL Preference for options that avoid risk or have low inherent risk	CAUTIOUS Preference for safe options with relatively low degrees of residual risk for potential reward	OPEN Willingness to consider all options with an enthusiasm for innovation, preference for options that provide an acceptable level of reward
Financial			✓	
WHS & Wellbeing		✓		
Public Health & Wellbeing		✓		
Service Delivery & Infrastructure				✓
Compliance	Statutory	✓		
	Regulatory		✓	
Environment		✓		
Reputation				✓
Project Risk				✓

Council has no tolerance for risks that may compromise the safety and welfare of staff, the community, contractors and volunteers. Similarly, Council has no appetite for risks that cause significant and irreparable damage to the environment and seeks to preserve and enhance it for future generations.

Council places great importance on compliance and has little appetite for any breaches in legal, regulatory or professional requirements. However as it is acknowledged that regulatory compliance is often discretionary in nature, Council will give due consideration to associated public health, safety and environmental risks, as well as the opportunity to educate the community.

Council has minimal appetite for risks that may have a significant adverse impact on its long term financial sustainability, however Council encourages entrepreneurship and has a moderate appetite for risks arising from economic and property development opportunities.

Council is mindful that reputational risk is inherent in all its business activities, however although Council will take a cautious approach, it will not be constrained by reputation related risk in pursuing innovation.

Council has considerable appetite for improvements and innovation in service delivery, technology and the efficiency of operations and project delivery.

Council's Risk Assessment Criteria will align with Council's risk appetite and will be used to undertake the Risk Management Process.

7.0 Planning and Resourcing

7.1 Resource Management

The Risk Management Framework acknowledges that there are and always will be limitations and challenges to Council resources to deal with the treatment of risk.

However, identification of risks should not be limited by the reality that there may be insufficient funds to immediately improve how we currently manage risk all of Council's risks.

The Framework approaches the understanding and identification of risks faced by Council in the broadest context. The approach to be used is to identify risks without consideration of cost of treatment but manage those risks with a view to maximising existing resources.

In accordance with its common law 'duty of care' statutory responsibilities and Council Policy, the Council will ensure that resources are allocated to:

- Minimise Council's exposure to loss and litigation;
- Protect and enhance Council's reputation;
- Protect Council's financial and physical assets;
- Maintain employee health and safety programs; and
- Ensure continuous improvement in the Risk Management process.

7.2 Continuous Improvement

Break O'Day Council is committed to continuous improvement and the pursuit of excellence – in service delivery and business processes. The Framework complements the methodology of continuous improvement by consideration of:

- Consultation and Communication;
- Cost/Quality;
- Effective resource use;
- Financial sustainability; and
- Accountability.

This approach is based on the philosophy that it is better to be aware of risks (even knowing that only the most critical can be dealt with after application of a prioritisation process), than to be caught unaware when a risk event occurs, suffer loss or failure, and potentially be held accountable.

7.3 Links to Council Planning and Budgeting Cycles

The Framework raises issues ranging from the highest strategic level e.g. Councillor decision-making through to the detailed issues of delivery of services to the community and the care of community assets.

The Risk Management process will input data and issues to the Council Strategic Planning and Budget process, Annual Plan and other asset management programs, and to service unit planning activity.

7.4 Budget Planning and Prioritisation

The Risk Management Framework provides an effective and transparent prioritisation tool for decision making when long term and annual financial resource allocations are decided.

This process contributes to the quality of the longer term financial and asset management plans of Council. It also assists in effective decision making during strategic planning by recognising the future implications of today's decisions.

Through the use of a common framework to assess priorities; sound, transparent and defensible financial decisions and recommendations are possible.

7.5 Safe Operating Procedures / Safe Work Method Statements

What Is A Safe Work Method Statement?

A Safe Work Method Statement (SWMS) is a document that:

- lists the types of high risk construction work being done
- states the health and safety hazards and risks arising from that work
- describes how the risks will be controlled, and
- describes how the risk control measures will be put in place.

The work must be carried out in accordance with the SWMS.

SWMS are called Standard Operating Procedures (SOP's) at Break O'Day Council and explain the safe and standardised way of performing particular routine work to ensure work is done safely and well. In many organisations' SWMS's are audited through an Internal Audit Program to ensure what is documented is what is happening in practice. SOPs/SWMS are often used as a basis for training new employees in working safely and correctly.

One SWMS can be prepared to cover a variety of tasks, if it takes into account the changing nature of the work environment. Alternatively, a separate SWMS can be prepared for each type of high risk work.

7.6 Risk Assessments

What is a risk assessment?

A risk assessment is a risk management step where you:

- Identify all risks;
- Analyse and evaluate the risk (e.g. Extreme, High, Moderate, Low);
- Determine "reasonable and practicable" ways to eliminate or control the risk; and
- Monitor the effectiveness of the controls that have been put into place.

In practical terms, a risk assessment is a thorough look at your workplace to identify those situations, processes etc that may cause "cause uncertainty to your desired objectives".

After the risks are identified you work to evaluate how likely and severe the risk is, and then decide what you're going to put in place to minimise the risk.

Risk Assessments are conducted by the relevant Manager/Team Leader, together with relevant Workers and with the support (as required) of the WHS Coordinator and in accordance with Break O'Day Council's risk assessment methodology. Risk Assessments are conducted for all new projects and tasks prior to the commencement of work.

7.7 Hazards and Incidents

Hazard and incident reporting highlights hazards and incidents and allows this information to be integrated into the Risk Register under “WH&S” risks. These risks are then considered in the same way as any other risk would be.

7.8 Stop Take 5 To Stay Alive

What is a Take 5 to Stay Alive?

A Take 5 to Stay Alive is a personal planning and communication tool developed to help all of us ensure that we perform even the most mundane of tasks without getting hurt.

It is used to assist us in maintaining awareness of our environment at all times and aid in the identification and control of immediate hazards as we go about our day-to-day work.

Examples of immediate hazards may include:

- Worn tools or incorrect tool for the job
- Potential for slips, trips or falls
- Poor housekeeping
- Protruding objects
- Sharp objects
- Dropped objects
- Worn, damaged electrical leads/cables
- Out of test equipment
- Inadequate height safety precautions

Personnel doing the work are responsible for carrying out the Stop Take 5 and Supervisors are responsible for encouraging and communicating the Stop Take 5 process and its effective use.

Stop Take 5 is used continuously throughout the day’s activities. It should help us recognise when conditions or circumstances change during a job and prompt us to step back and think through any emerging issues i.e. taking 5 minutes to plan our work.

Take 5’s are completed by all outdoor workers as part of effective planning prior to a task commencing.

Take 5 is a valuable work tool that we can also take home and use so we can stay safe in all that we do.

7.9 Job Risk Analysis /Job Safety Analysis

What is a Job Risk Analysis (JRA) also known as a Job Safety Analysis (JSA)?

A JRA is simply a way of looking at the work task and considering what is the safest way to complete it. It is a way of taking time to plan the work, becoming aware of the hazards involved in doing the job and taking action to prevent an injury.

1. Document the activity: Assemble those involved in the activity and then, using the JRA worksheet, write down the tasks that make up the activity, step by step.
2. Identify the hazards: Next to each task, identify what part of the task may cause injury to those doing the work or to anyone else nearby.
3. Document the control measures: For each identified hazard, list the things that need to be put in place to eliminate or minimise any likely risk of injury to those involved.
4. Identify who is responsible: Document the name of the person responsible for implementing the control measure.
5. Monitor and review: Make sure the activity is supervised to ensure the documented process is being followed. The JRA should be reviewed whenever a documented activity changes, when there is a change of personnel or after an appropriate length of time.

8.0 ROLES AND RESPONSIBILITIES

Risk management responsibilities are incorporated into all Council Position Descriptions and success measures developed for all Workers to form the basis of formal annual performance appraisals and informal performance management discussions.

Stakeholder	Roles and Responsibilities
Council	Council will: <ul style="list-style-type: none"> • Be responsible for approving the Risk Management Policy; • Provide the support and basis in which the Risk Management Policy can be implemented. This includes listing risk management as a priority in Council’s Strategic and Annual Plan; and • Provide adequate budgetary provision for the management of this Policy.
General Manager	The General Manager will: <ul style="list-style-type: none"> • Provide a safe and healthy work environment, in accordance with the Work Health & Safety Act 2012, its amendments, regulations, related codes of practice and Australian Standards; • Understand the principles of Risk Management; • Ensure risk awareness training is developed and provided throughout Council; • Ensure that Council meets its ‘duty of care’ to all Workers and the general public and protects its assets through education, appropriate risk financing and adequate loss control programs and measures • Monitor and evaluate the performance of Department Managers against their Risk Management responsibilities; • Provide proactive reporting on risk measures; • Lead the Senior Management Group (SMG) in the development and implementation of risk action plans for all those assessed as extreme; • Promote Risk Management as a vital business principle.

Stakeholder	Roles and Responsibilities
Managers and Team Leaders	<p>Managers and Team Leaders will:</p> <p>Familiarise themselves with Council’s Risk Management Policy and Framework;</p> <ul style="list-style-type: none"> • Risk Register: review EXTREME and HIGH risks every six (6) months and MEDIUM and LOW risks every 12 months; • Actively participate in training provided in relation to risk management; • Employ risk management principles and practices and the tools outlined in the Risk Management Framework while undertaking strategic decision making and daily tasks; • Report any hazards and incidents that may have the potential risk exposure to Workers, Council and the general public; • Positively assist with investigations related to incidents that have occurred as a result of a hazards or incident; • Develop and manage risk treatment plans for risks owned by them; <p>Take notice of and implement recommendations from risk management audits conducted in the workplace.</p>
Business Services Manager	<ul style="list-style-type: none"> • Report on Council’s achievements against its Risk Management Policy and as required by legislation / Council / General Manager; • Report to the Audit Panel as required • Review contracts and lease agreements; • Coach and mentor others in the use of the Risk Management Framework.
WHS Coordinator	<ul style="list-style-type: none"> • To provide advice and assistance to all Council workers in relation to the development and implementation of an effective Risk Management System that observes the principles of AS/NZS ISO 31000:2009 Risk Management. • Monitor the effectiveness of the overall Risk Management system • To provide timely, accurate and relevant information on losses, claims, premiums and other risk-related information • To ensure that all documentation maintained and generated within the Risk Management process complies with Council’s record management requirements • To make available a relevant and wide range of information on risk management issues affecting the Council • Ensure all accidents reported are fully investigated and the appropriate corrective action has been taken; • To apply the Risk Management process for the management of risk exposures • Review insurance held by users of Council facilities • Negotiate appropriate insurance cover with Council’s insurance advisers and report back to management • Assist Business Services Manager in meeting risk reporting expectations. Review the Risk Management Policy in accordance with the review cycle. • Maintain risk management records including the following: <ul style="list-style-type: none"> ○ claims management manual ○ legal advice ○ property and motor vehicle schedules ○ loss records ○ management decision on risk ○ technical information ○ insurance policies • Assist in the effective operation of a Safety Management System • Coordinate public safety issues, i.e. trips and falls by the public

Stakeholder	Roles and Responsibilities
WHS Coordinator <i>Cont'd</i>	<ul style="list-style-type: none"> • Liaising with outside organisations/consultants for advice and assistance in areas where the organisation does not have the expertise or resources • Review with Managers all aspects of the risks management program on a regular basis, e.g. workplace inspections and safety audits • Consult with the Work Health and Safety /Risk Management Committee where appropriate to resolve health and safety issues and compliance with Risk Management principles
Workers	<p>Workers will:</p> <ul style="list-style-type: none"> • Assist in the provision of a safe and healthy work environment and comply with the Work Health & Safety Act 2012, its amendments, Regulations, related Codes of Practice and Australian Standards; • Ensure that risk management factors are fully considered when changing or setting up new work sites, work programs or undertaking new projects; • Ensure all accidents are reported; • Review with Managers/Supervisors and workers all aspects of the risk management program on a regular basis, including workplace inspections and risk management audits; • Consult with the Work Health & Safety Committee and Health and Safety Representatives where appropriate to resolve risk management issues; • Ensure on-going instruction and consultation with Workers in the proper use of plant, equipment and materials and enforce safety rules and practices that apply to Workers' work; • Ensure reporting and investigation of all accidents, incidents, injuries or near misses within the work area under their control; • Participate in audits of activities under their control; • Report any risk identified associated with Council asset, work sites or work systems.
WH&S Committee	<p>Improve organisational performance and awareness of risk management by:</p> <ul style="list-style-type: none"> • Reviewing and analysis of claims and reported incidents • Progress improvements and recommendations by Council's insurers • Discuss and plan risk management awareness training • Add to the Risk Register, if appropriate • Implement an audit and inspection process focused on risk management
Works Support Officer	<ul style="list-style-type: none"> • Ensure that adequate fire protection and security arrangements are in place to protect Council's assets
Audit Panel	<p>As per the Council approved Audit Panel Work Plans review the following as a minimum:</p> <ul style="list-style-type: none"> • Annual review of risk management policy and framework • Receive material risk management reports • Monitor ethical standards and any related party transactions • Review the procedure for Council's compliance with relevant laws, legislation and Council policies • Review internal, anti-fraud and anti-corruption management controls • Review ICT governance • Review the business continuity plan • Review processes to manage insurable risks and existing insurance cover • Review delegation processes and exercise of these • Review WH&S management processes • Monitor major claims or lawsuits by or against Council and complaints against Council • Oversee the investigation of any instances of suspected cases of fraud or illegal and unethical behaviour

9.0 Communication Plan

9.1 Objectives

Communication is critical to keeping Workers informed and engaged with the implementation of the Framework at Break O'Day Council.

Effective communication mechanisms will support the following objectives:

- To keep workers and stakeholders informed and engaged with the Risk Management program development;
- Development of a common language around risk management;
- Promote learning e.g. examples of success will highlight the different applications of risk management;
- Development of a risk aware culture at Break O'Day Council;
- Demonstrate the leadership of the Management Team in implementing the Framework; and
- Celebrate the success of the Framework implementation.

9.2 Communication Methods

The following communication mechanisms will be utilised:

- Outline of the Framework and risk awareness/hazard and incident analysis training provided to existing workers via Departmental meetings
- Manager Human Resources to provide additional training to Departments upon request
- Risk implications part of Council Meeting Agenda
- Progress reports to the Management Team (MT)
- Progress reports to Council
- Progress report to WH&S Committee
- Progress reports to the Audit Panel
- Regular updates in regard to risk management will be provided to all workers via Departmental and Tool Box meetings
- Written - intranet, messages from the GM, notice boards
- Outline of the Framework provided to all new workers during Induction

9.3 Progress Reports to Workers

- Quarterly via Management Team reporting structure
- Quarterly to the stakeholders

9.4 Progress Reports to Mayor and Councillors

- Statistical report on KPI's provided as frequently as identified by Council/GM
- Audit Panel minutes and agenda items as required to Council

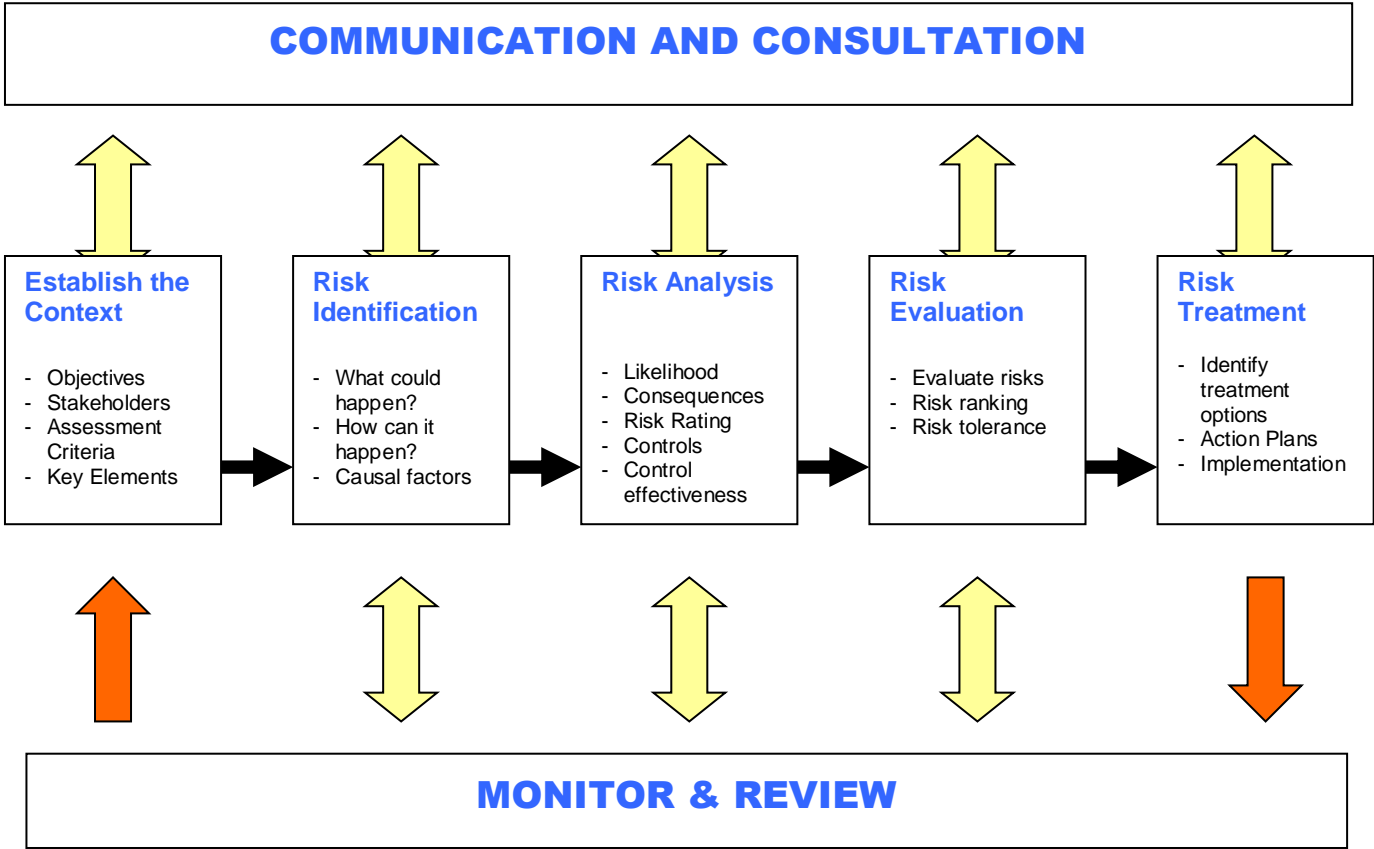
10.0 Risk Management Process

10.1 Overview

The risk management process should be:

- An integral part of management
- Embedded in culture and practice, and
- Tailored to the business processes of Break O'Day Council

The risk management process adopted as part of this Framework is consistent with the Standard as depicted below:



10.2 Communication and Consultation

Contact/Involvement – has everyone who needs to know been contacted, involved, informed and kept up to date?

Information Flow/Dialogue with Stakeholders – there should always be dialogue with stakeholders with a focus on consultation.

Feedback – success will be achieved if feedback is given by all involved in the process.

The Communication Plan is outlined in detail in Section 10 of this Framework.

10.3 Risk Management Context

When identifying, assessing and managing risks the following external factors need to be considered:

- Community impact;
- Impact on relationships;
- Environmental implications;
- Political implications (State / Federal);
- Health, Safety and Wellbeing;
- Economic Impact;
- Media;
- Legal and Regulatory obligations; and
- External stakeholders / key third party service providers.

The following internal factors need to be considered:

- Break O'Day Council's Strategic Plan;
- Strategic Financial Plan;
- Capital and Operations Budgets;
- Annual Plan;
- Departmental Plans;
- Council / Elected Members;
- Occupational Health and Safety and Welfare;
- Key Performance Indicators - organisation and individuals;
- Business Continuity and Emergency Management Planning;
- Governance; and
- Business efficiency and productivity.

10.4 Risk Identification

The aim of risk identification is to develop a comprehensive list of the events that may create, enhance, prevent, degrade, accelerate or delay the achievement of objectives (remember risk is defined as being “the effect of uncertainty on objectives”. This includes identifying the risks associated with not pursuing an opportunity.

To assist in risk identification, ask the following questions - What can happen? - How can it happen? Consider the causal factors.

Each department/work area is responsible for identifying their risks and forwarding them to the Manager Business Services for recording in the Risk Register. The Risk Register is in both an Excel format (an example of the format of the register is depicted in Appendix B of this Framework) and also now in a Cascade Format for reporting and monitoring.

In identifying risks, Departments/work areas need to consider a broad range of risk sources within the context of Break O'Day Council's strategies and operations. These risk sources are outlined in Section 5 of this Framework.

Forums for identifying operational risk include but are not limited to:

Risk Identification Workshops

The purpose of these workshops is to brainstorm risks with relevant Workers from each work area. As a result of these workshops risks are captured and documented in the Risk Register. Managers are accountable for reviewing their area's registered risks formally at least on a half yearly basis, as part of the business planning process, in consultation with relevant Workers. Information is collated by the WHS Coordinator.

Risk Assessment Workshops/Discussions

The purpose of these discussions is to assess the likelihood and consequence of the risks identified with relevant Workers from each work area. As a result of these workshops risk rating details are captured and documented in the Risk Register. Managers are accountable for reviewing their area's registered and assessed risks formally at least on a half yearly basis, as part of the business planning process. Information is collated by the WHS Coordinator to formulate reporting.

A copy of the Risk Register is saved in the S:drive as part of Councils corporate information and records management. All Managers have access to this folder for viewing. The WHS Coordinator is the administrator of this folder and maintains the original copy.

Strategic Projects / Tender Management

Managers are accountable for identifying and assessing any risks emerging as a result of tenders. These risks are to be included on the project plan which is reviewed and maintained through the life of the project / change /improvement process. Any risks which eventuate as a result of the project / change /improvement process, and are of an ongoing nature, should be recorded in the Risk Register.

Customer Requests Process/Review of Audit findings / Loss data

Systemic issues / risks can be identified upon review of this data. These risks are to be included in the Risk Register accordingly.

Strategic and Annual Planning Process

Departments are required to review their risks in the Risk Register as part of their annual planning and budgeting process usually twice a year, depending on the risk rating of the risks. This enables the risk profile and risk control activity to be considered as part of formulating future plans, improvements, business cases and budgeting needs.

Accident Reporting

Accidents, incidents and hazards are to be reported using the Near Miss/Incident/Accident Reporting and Investigation form. This information and subsequent analysis may result in the identification of systemic / operational risks. These will be communicated back to relevant stakeholders to be appropriately managed in line with the risk management process.

10.5 Risk Analysis

Risk analysis involves consideration of the sources of risk, their positive and negative consequences and the likelihood that those consequences may occur. The risk assessment likelihood and consequence scales are provided in Appendix C and Appendix D. Appendix E details consequence scales for Project Risk Assessment. Each category of the consequence scale is based on the types of risks that may potentially impact Council's operations.

Existing controls and their effectiveness and efficiency should also be taken into account. For each identified risk ask "Is there anything currently in place that would effectively lessen the likelihood or impact of the risk?" If there are controls in place, then ask "Are the controls effective?", "Can the risk be shared/transferred?" The risk can then be revaluated.

A risk rating is determined by combining the likelihood and the consequence ratings using the risk matrix provided in Appendix F.

Risk analysis is about developing an understanding of the risk. It is this analysis which provides input into the decision on whether the risk needs to be controlled or controlled further and the most appropriate and cost-effective manner of treatment.

The method of analysing risks is undertaken in two parts:

1. Risks are measured against established criteria for likelihood (see Appendix C) and consequence (see Appendix D and Appendix E for projects).
2. The final risk score (overall risk rating) is calculated as the product of the likelihood and consequence scores and rated in accordance with the matrix in Appendix F.

10.6 Risk Evaluation

Risk evaluation is done to assist in decision making – the legend below identifies the actions necessary for different risk ratings.

Legend:

Extreme	High risk, urgent attention required Risk treatment plan must be prepared
High	Significant risk, attention required Risk treatment plan must be prepared
Medium	Moderate risk; management responsibility must be specified Risk treatment plan required
Low	Low risk; manage by routine procedures Risk treatment plan not required

The purpose of risk evaluation is to determine, based on the outcomes of risk analysis, which risks need treatment and the treatment priorities. The risk evaluation can also lead to a decision not to treat the risk in any way other than maintaining existing controls. Information from the risk assessment (analysis and evaluation) must be entered into the Risk Register.

10.7 Risk Treatment

Risk treatment involves identifying the range of options for treating risks, assessing these options and the preparation and implementation of treatment plans. By treating the risk the aim is to either:

- Elimination of the risk – repair damage/remove risk
- Avoid the risk - by deciding not to continue with the activity
- Taking the risk - in order to pursue an opportunity
- Sharing the risk – to minimise likelihood and consequences
- Isolate the risk – relocate the risk, tag out, lock out, install barriers
- Engineering – improve the process to remove the risk e.g. use a trolley to move heavy equipment, minimise manual handling
- Administrative – rotate jobs, adequate training, maintenance
- Personal Protective Equipment (PPE) – use hearing, eye, head, hand, face protection and train Workers in its correct use
- Accept the risk by informed decision i.e. retain

In order to select the most appropriate treatment action it is necessary to balance the cost of implementing each option against the benefits derived from it. It is also necessary for consideration to be given to all direct and indirect costs and benefits financial or otherwise.

Risk Treatment Plans are developed and a hyperlink is added to the risk in the Risk Register. This hyperlink automatically links the risk with the relevant Risk Treatment Plan.

10.8 Monitor and Review

On-going review of the Risk Management Framework and its effectiveness is essential to ensure that risks identified and registered in the Risk Register, assessed and associated treatment options remain relevant. Factors that affect the likelihood and consequence may change, as may the factors that affect the suitability or cost of the treatment options.

The required actions as outlined in the Risk Evaluation section above outline the monitoring and review actions which are undertaken as part of this Framework:

- The Risk Register is formally reviewed on a half yearly basis. One of the half yearly reviews should be scheduled to coincide with the Annual Business Planning and Budgeting process. As part of the Annual Business Planning and Budget process Departments are required to review their risks and associated action plans to treat risks. This contributes towards determining work priorities and ensuring appropriate resources are assigned to manage and control risks.
- This Risk Management Framework and Policy are reviewed every two (2) years by the WHS Coordinator, Manager Business Services and Management Team. The outcomes and records of this review are maintained on file. The Risk Framework and Policy are to be reviewed by Council every three years.
- A report shall be presented to Council on a regular basis and should include status of risks in the Risk Register, insurance claims and details of relevant audit results.

A review of the Risk Management Framework will consider the following:

1. Are the risk management objectives aligned with the organisations strategic intent?
2. Do the risk management initiatives reflect the realities of the current environment in which Council is operating?
3. Are the outcomes of risk management able to be effectively measured?
4. Do the risk management initiatives generate value for Council?
5. Does the information provided allow senior management to make decisions about whether to expand or contract resources and effort in managing risk exposures?
6. Is information provided clear and concise manner for evaluation by senior management?

Furthermore, an assessment of the effectiveness of the risk management program at Break O'Day Council will be undertaken following implementation of the Framework to ensure that it meets the objectives. This assessment will be undertaken via:

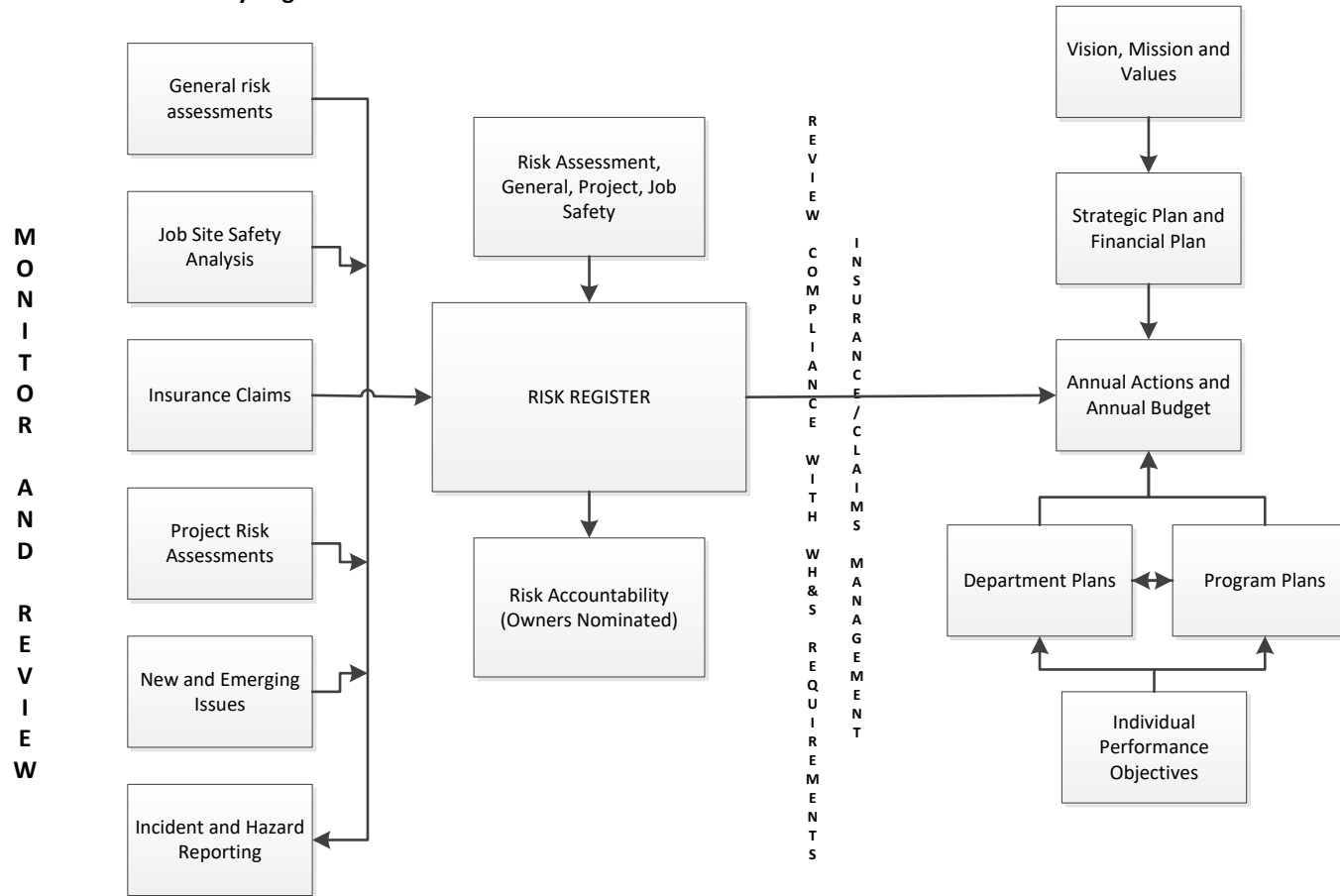
- Implementation and monitoring of key risk indicators
- Formal assessment of incident and loss data against key risk indicators
- Internal audit of the program

11.0 RISK MANAGEMENT PLAN

11.1 Risk Management Plan Components

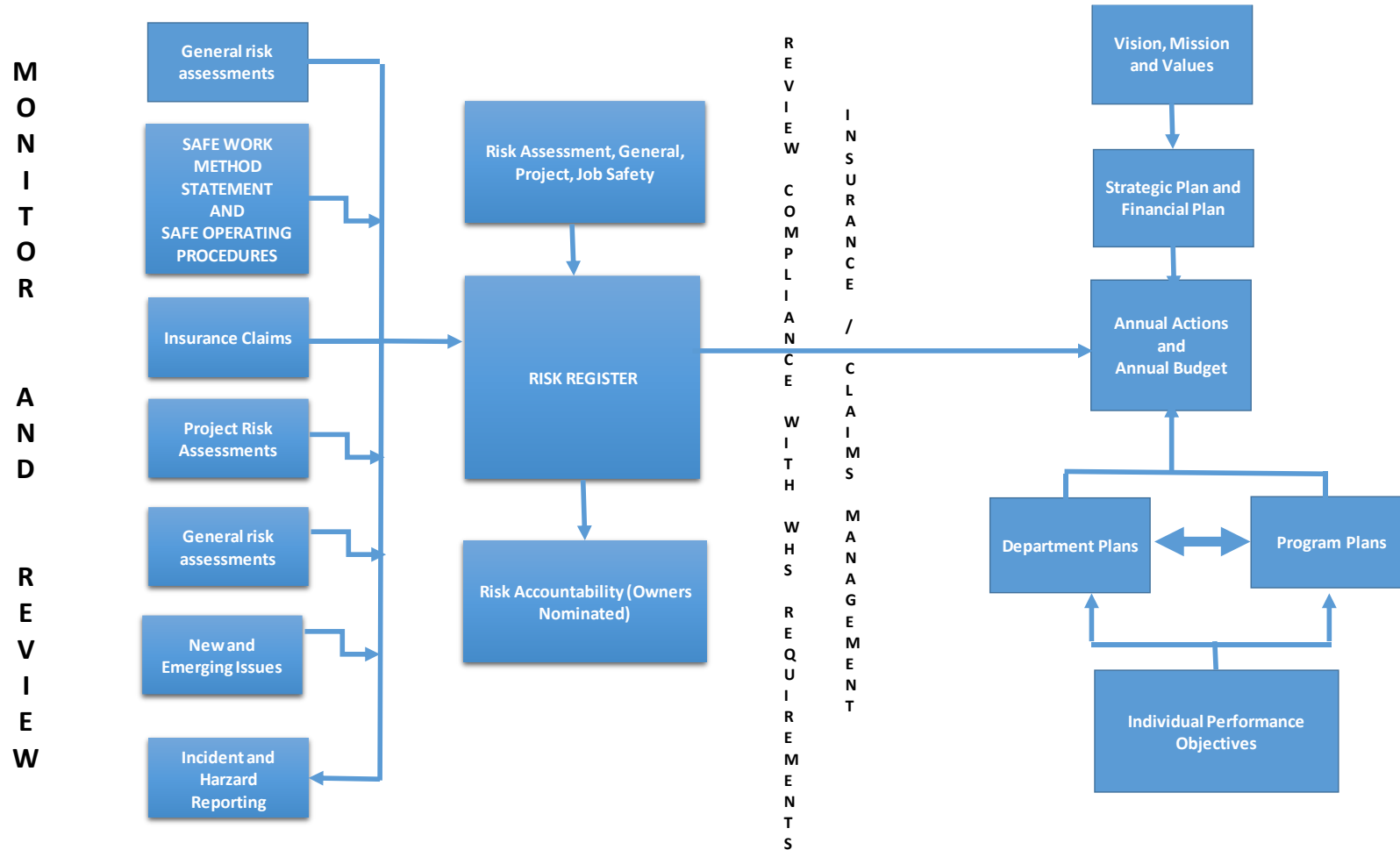
The diagram below depicts an overview of the flow of business process and strategies at Break O'Day Council in supporting the management of risk in alignment with this Framework.

½ Yearly Organisation Wide Risk Review



½ Yearly Departmental Risk Review

Annual Organisation Wide Risk Review



6 and 12-monthly Department Risk Review

12.0 REPORTING

To ensure transparency of risk management information across Break O'Day Council, a series of reports will be produced throughout the year. The table below outlines a list of reports that will be produced as an outcome of risk management activity:

Report	Frequency	Prepared by	Audience
<ul style="list-style-type: none"> ▪ Department Risk Register Review Corporate Risk Report 	<p>Six Monthly or Annually depending on risk level (Low or High)</p> <p>Quarterly</p>	<p>Departmental Manager</p> <p>Executive Officer Manager Business Services, WHS Coordinator</p>	<p>WHS Coordinator, Managers</p> <p>Councillors and Managers Audit Panel</p>
<ul style="list-style-type: none"> ▪ Claims Management Report: report of all asset, public liability, motor vehicle and workers compensation claims including analysis and trend data. ▪ Accident/Incident events: report of any major or severe risk including remedial action ▪ New and emerging risks/issues ▪ Continuing critical issues ▪ Escalation of risk non-performance 	<p>Annually</p> <p>As required</p> <p>As required</p> <p>As required</p> <p>As required</p>	<p>WHS Coordinator, Manager Business Services</p> <p>WHS Coordinator, Manager Business Services</p> <p>WHS Coordinator, Manager Business Services</p> <p>WHS Coordinator, Manager Business Services</p> <p>WHS Coordinator, Manager Business Services</p>	<p>Council, Managers, Audit Panel</p> <p>Managers, WHS Coordinator, WHS Committee, Audit Panel</p> <p>Managers, WHS Coordinator, WHS Committee, Audit Panel</p> <p>Managers, WHS Coordinator, WHS Committee, Audit Panel</p> <p>Managers, WHS Coordinator, WHS Committee, Audit Panel</p>

13.0 REFERENCES

- AS/NZS ISO 31000 Risk Management
- Work Health and Safety Act 2012
- Work Health and Safety (Transitional and Consequential Provisions) Act 2012
- Work Health and Safety Regulations 2012
- Work Health and Safety (Transitional) Regulations 2012

14.0 RELATED DOCUMENTS

- BODC Risk Policy (Appendix A)
- BODC Risk Register (Appendix B – Example) –Risk Likelihood Criteria (Appendix C)
- Consequences Scale (Appendix D)
- Project Risk Consequence Criteria (Appendix E)
- Overall Risk Rating (Appendix F)
- Safe Operating Procedures
- BODC Risk Assessment Form
- BODC Incident/Accident Report Form
- BODC Accident Investigation Report Form
- BODC WHS Policy
- BODC Incident Reporting Procedure
- Risk Management of Public Events Guidelines
- MAV Event Management Checklist
- MAV Festival or Event Management Risk Assessment Example –

15.0 APPENDICES



LG32a - Risk Management Framework

APPENDIX B - Risk Register (Cascade Extract - Example)



RISK REGISTER - MASTER
25/11/2022

387
GOALS

36%
GOAL COMPLETION

RISK REGISTER PLAN DUE WITHIN 3 MONTHS

Current Complet...	Risk No	Due Date	Goal Template	Goal	Update	What can happen?	Possible Cause	Is Risk Credible	Risk Analysis	Owner
0%	WHS01	11/02/2023	Risk	Mowing Protocol : 100%		Air born rocks or debris or ride-on-mower incidents	Damage to third party or injury to MOP. Damage to Council assets or injury to worker.	Yes	NEW Risk Rating: Medium Planned action required	David Jolly
0%		11/02/2023	Risk Control	→ Use pre-start site inspection to check area for any hazards before mowing. Make sure chute faces away from traffic. Stop if MOP gets too close. : 100%						David Jolly
0%		11/02/2023	Risk Treatment	→ Follow mower SDP and SWMS : 100%						David Jolly
0%		11/02/2023	Risk Treatment	→ Maintain discharge chute on mower as per manufacturers specification : 100%						David Jolly
0%		11/02/2023	Risk Treatment	→ Inspect area as required : 100%						David Jolly
0%		11/02/2023	Risk Treatment	→ Advise Manager to take action, if needed : 100%						David Jolly
0%	WHS02	11/02/2023	Risk	General traffic accidents : 100%		Injury to employees or members of the public.	Failure to follow road rules, inattentiveness, medical condition or unexpected action of driver	Yes	NEW Risk Rating: low Managed by routine procedures	David Jolly
0%		11/02/2023	Risk Control	→ Operate vehicles in accordance with procedure and adhere to road rules. : 100%						David Jolly
0%		11/02/2023	Risk Treatment	→ Follow procedure and road rules : 100%						David Jolly
0%		11/02/2023	Risk Treatment	→ Disciplinary action where required : 100%						David Jolly

APPENDIX C – Risk Likelihood Criteria

Likelihood Scales

Rating	Recurrent Risks	Single Events
Almost Certain	Could occur several times per year	More likely than not
		90-99%
Likely	May arise about once per year	As likely as not
		70-89%
Possible	May arise once in 10 years	Less likely than not but still possible
		30-69%
Unlikely	May arise once in 10 years to 25 years	Unlikely but not impossible
		10-29%
Rare	Unlikely to occur during the next 25 years	Negligible
		1-9%

APPENDIX D – Consequence Scales

	OH & S	Public Safety	Financial	Local Economy & Growth	Community & Lifestyle	Environment & Sustainability	Public Administration
Catastrophic	Death	Large numbers of serious injuries or loss of lives	Huge financial loss > or equal to \$4m (~10% rate revenue)	Regional decline leading to widespread business failure, loss of employment and hardship	The municipality would be seen as very unattractive, stagnant and unable to support its community	Major widespread loss of environmental amenity and progressive irrecoverable environmental damage	Public administration would fall into decline and cease to be effective
Major	Extensive injuries	Isolated instances of serious injuries or loss of lives	Major financial loss > or equal to \$1m (~2.5% rate revenue)	Regional stagnation such that businesses are unable to thrive and employment does not keep pace with population growth	Severe and widespread decline in services and quality of life within the community	Severe loss of environmental amenity and danger of continuing environmental damage	Public administration would struggle to remain effective and would be seen to be in danger of failing completely
Moderate	Medical treatment required	Small number of injuries	High financial loss > or equal to \$500,000	Significant general reduction in economic performance relative to current forecasts	General appreciable decline in services	Isolated but significant instances of environmental damage that might be reversed with intensive efforts	Public administration would be under severe pressure on several fronts
Minor	First aid treatment	Serious near misses or minor injuries	Medium financial loss > or equal to \$50,000	Individually significant but isolated areas of reduction in economic performance relative to current forecasts	Isolated noticeable examples of decline in services	Minor instances of environmental damage that could be reversed	Isolated instances of public administration being under severe pressure
Insignificant	No injuries	Appearance of threat but no actual harm	Low financial loss < or equal to \$5,000	Minor shortfall relative to current forecasts	Minor areas in which municipality unable to maintain current services	No environmental damage	Minor instances of public administration being under more than usual stress but it could be managed

APPENDIX E - Project Risk Consequence Criteria

RATING	Financial	Project Timeframe (extension measured in days)	Project Objectives
Insignificant	1 Risk event results in increased funding required to meet project objectives by up to 5% of original project budget	Risk event results in project timeframe extended by up to 10% of original project duration	Risk event does not have any major impact on the achievement of key project objectives
Minor	2 Risk event results in increased funding required to meet project objectives by 5-10% of original project budget	Risk event results in project timeframe extended by 10-20% of original project duration	Risk event impacts isolated key project objectives. Additional minor effort is required to ensure that all objectives are met
Moderate	3 Risk event results in increased funding required to meet project objectives by 10-20% of original project budget	Risk event results in project timeframe extended by 20-35% of original project duration	Risk event impacts numerous key project objectives. Considerable effort including some change to the scope of the project is required to achieve required outcomes
Major	4 Risk event results in increased funding required to meet project objectives by 20-35% of original project budget	Risk event results in project timeframe extended by 35-50% of original project duration	Risk event impacts a significant portion of key project objectives requiring major changes to project scope and work to achieve required outcomes
Severe	5 Risk event results in increased funding required to meet project objectives by more than 35% of original project budget	Risk event results in project timeframe extended by more than 50% of original project duration	Risk event results in failure of the project to meet all required objectives.

APPENDIX F - Overall Risk Ratings

Likelihood	Consequence				
	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Medium	Medium	High	Extreme	Extreme
Likely	Low	Medium	High	High	Extreme
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	Medium
Rare	Low	Low	Low	Low	Medium